



Press Release: March 2, 2000

New Renewable Energy Law will trigger a solar boom in Germany

The German government has passed a law making on-grid photovoltaic electricity generation cost-effective for the first time ever in Germany. The world's leading photovoltaic magazine PHOTON International welcomes the new law as a giant step into the solar age.

The Renewable Energy Law (REL) guarantees fixed tariffs for feeding green-generated electricity into the grid. Companies and individuals deciding to invest in photovoltaics will receive a nationally paid incentive of 0.99 DM (\$0.51 USD) per kilowatthour over 20 years. In combination with Germany's present photovoltaic funding program based on zero-interest loans, REL investments will be even more attractive.

The REL comes on the heels of the German Renewable Energy Feed-In Tariff Law (REFIT), which helped the German wind power industry become a world leader and made Germany the country with the most windmill installations worldwide. In the last nine years, the wind power industry has created around 20,000 new jobs in Germany. German solar industry associations now foresee a similar boom for photovoltaics.

On Friday, February 25, the day the REL was passed, PHOTON International immediately received dozens of press releases from German companies declaring their intention to step into the photovoltaic business, or invest into new photovoltaic plants. The German module assembler SolarWorld published plans to set up an investment fund aimed at installing five megawatts of new photovoltaic systems. "The new law will provide at least 40 megawatts in the first year," estimates Michael Schmela, editor-in-chief of PHOTON International.

The REL is exemplary in any case. According to the "polluter pay principle," it will not burden the state budget, as the law is financed by a maximum surcharge of 0.1 Pfennig (0.05 US cents) per kilowatthour on the electric bills of German citizens. "The deregulation of the electricity market has recently decreased the electricity prices up to 10 Pfennig (5 US cents) per kilowatthour. The surcharge from the REL is only a hundredth of this amount, but will pave the way into the solar age," says PHOTON International's Michael Schmela. "At least when it comes to photovoltaics, other countries can now look to the REL as an example for the world."

PHOTON International covers the photovoltaic world every month with the latest trends in market programs and technology, government policy, utility activity, new products, and regional news. The articles are independent, relying on the editors' own research so PHOTON International can give its readers crucial and objective PV news.

A sample copy of PHOTON International issue 3/2000 including a background article on the REL can be ordered for free at www.photon-magazine.com.